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Separate paging is given to this Part in order that it may be filed  
as a separate compilation

## LOK SABHA

The following Bill was introduced in Lok Sabha on the 9th August, 1985:—

BILL No. 142 OF 1985

*A Bill further to amend the Tobacco Board Act, 1975*

Or it enacted by Parliament in the Thirty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Tobacco Board (Amendment) Act, 1985.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

4 of 1975.

2. In section 4 of the Tobacco Board Act, 1975 (hereinafter referred to as the principal Act),—

(a) in sub-section (4),—

(1) in clause (c),—

(i) for the words “eight members”, the words “ten members” shall be substituted; and

(ii) the following proviso shall be inserted at the end, namely:—

“Provided that the number of members appointed under this clause from amongst the growers of tobacco shall not exceed six.”

Short  
title and  
com-  
mence-  
ment.  
Amend-  
ment of  
section 4.

(2) after clause (c), the following clauses shall be inserted, namely:—

(f) the Agricultural Marketing Adviser to the Government of India, Department of Rural Development, *ex officio*;

(g) the Executive Director, *ex officio*.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.”;

(c) in sub-section (7), for the words “The Executive Director and any such officer”, the words “Any officer” shall be substituted.

Amend-  
ment of  
section 8.

3. In section 8 of the principal Act, in sub-section (2), for clause (a), the following clause shall be substituted, namely:—

“(a) regulating the production and curing of virginia tobacco having regard to the following factors, namely:—

(i) the demand for virginia tobacco in India and abroad;

(ii) the suitability of land for growing virginia tobacco;

(iii) the differences in soil characteristics and agro-climatic factors in different regions of the country where virginia tobacco is grown and the effect thereof on the quality and quantity of virginia tobacco produced in those regions;

(iv) the marketability of different types of virginia tobacco;

(v) the need for rotation of crops; and

(vi) the nature of the holdings of the growers of virginia tobacco whether owned or leased.”.

Insertion of  
new  
section  
10A.

4. After section 10 of the principal Act, the following section shall be inserted, namely:—

“10A. (1) No person shall grow virginia tobacco seedlings for commercial purposes unless he registers himself as a nursery grower with the Board in accordance with the rules made under this Act.

Registra-  
tion of  
growers of  
virginia  
tobacco  
seedlings  
for com-  
mercial  
purposes.

*Explanation.*—For the removal of doubts, it is hereby declared that nothing in this sub-section shall apply to the growing by a registered grower of any virginia tobacco seedlings for his own use.

(2) No registered nursery grower shall sell or cause to be sold any virginia tobacco seedlings grown by him to any person other than a registered grower.”.

5. After section 11 of the principal Act, the following sections shall be inserted, namely:—

Insertion  
of new  
sections.  
11A and  
13B.

“11A. No person shall process virginia tobacco or manufacture products therefrom unless he registers himself as such processor or manufacturer, as the case may be, with the Board in accordance with the rules made under this Act.

Registra-  
tion of  
processors  
and  
manufac-  
turers of  
virginia  
tobacco,  
etc.

11B. No person shall—

(i) take up grading work relating to virginia tobacco for commercial purposes; or

(ii) take up the construction and operation of a barn,

unless he obtains a licence from the Board in accordance with the rules made under this Act.

Licences  
to be  
obtained  
for grad-  
ing work  
and cons-  
truction  
of barns,  
etc.

*Explanation.*—For the purposes of this section,—

(i) “barn” means a building or structure with a roof of zinc sheets or tiles having flue pipes, furnace and tiers used for flue curing of tobacco leaves;

(ii) “grading work” means separating tobacco leaves into specific grades on the basis of plant position, maturity, colour, body and blemish and in accordance with such specifications as may be prescribed.”

6. After section 13 of the principal Act, the following sections shall be inserted, namely:—

Insertion  
of new  
sections  
13A and  
13B.

“13A. No registered dealer or registered exporter shall purchase or cause to be purchased virginia tobacco elsewhere—

(a) than at an auction platform registered with the Board in accordance with the rules made under this Act or established by the Board under this Act; or

(b) than from any other registered dealer or a registered grower or curer:

Duty of  
registered  
dealers  
and ex-  
porters to  
purchase  
at  
auction  
platforms,  
etc.

Provided that in relation to any State in which the provisions of section 13 are not in force, the condition specified under clause (a) shall not apply.

Duty of  
buyers of  
virginia  
tobacco  
at places  
other  
than  
auction  
platforms  
to refrain  
from  
certain  
unfair  
practices.

13B. Every dealer who purchases virginia tobacco in any State in which the provisions of section 13 are not in force,—

(a) shall pay the full price for the whole quantity of virginia tobacco so purchased by him at the rate at which he agreed to purchase such tobacco and shall refrain from claiming any discount in the weight or other deductions in weight thereof or any deductions from the price as calculated in accordance with such rate;

(b) shall pay the full price for virginia tobacco so purchased by him as calculated in accordance with the provisions of clause (a) as expeditiously as possible and in any case within such reasonable time as may be specified in this behalf by the Board; and

(c) shall refrain from having recourse to any practices which the Board may, having regard to the need for protection of persons selling virginia tobacco in such State and all other relevant considerations, specify to be unfair practices.”.

Amend-  
ment of  
section  
14.

7. In section 14 of the principal Act, for the words and figures “for registration of curers for the purposes of section 11”, the words, figures and letters “for registration of nursery growers for the purposes of section 10A, for registration of curers for the purposes of section 11, for registration of processors and manufacturers for the purposes of section 11A, for obtaining licences for taking up grading work or construction and operation of barns under section 11B” shall be substituted.

Insertion of  
new section  
18A

8. After section 18 of the principal Act, the following section shall be inserted, namely:—

Writing  
off of  
losses

“18A. Subject to such conditions as may be specified by the Central Government, where the Board is of opinion that any amount due to, or any loss, whether of money or of property, incurred by, the Board is irrecoverable, the Board may, with the previous approval of the Central Government, sanction the writing off finally of the said amount or loss:

Provided that no such approval of the Central Government shall be necessary where such irrecoverable amount or loss does not exceed in any individual case and in the aggregate in any year such amounts as may be prescribed.”.

Amend-  
ment of  
section  
19.

9. In section 19 of the principal Act, in sub-section (1), for the words “profit and loss account”, the words “income and expenditure account” shall be substituted.

Insertion of  
new section  
20A.

10. After section 20 of the principal Act, the following section shall be inserted, namely:—

Power of  
Central  
Govern-  
ment to

“20A. Without prejudice to the provisions of clause (g) of sub-section (2) of section 8 and notwithstanding anything contained in any other provision of this Act, if the Central Government is satisfied

that it is necessary or expedient so to do, it may, by order in writing and subject to such conditions and limitations as may be specified in the order, authorise any body or other agency to purchase virginia tobacco from the growers and dispose of the same in India or abroad."

authorise  
purchase  
of vir-  
ginia  
tobacco.

11. In section 25 of the principal Act,—

(a) for the words "or of any rules made thereunder", the words "or of any rules or regulations made thereunder" shall be substituted;

Amend-  
ment of  
section  
25.

(b) for the words "extend to six months, or with fine which may extend to one thousand rupees, or with both" the words "extend to two years, or with fine which may extend to five thousand rupees, or with both" shall be substituted.

12. In section 32 of the principal Act, in sub-section (2),—

(a) after clause (g), the following clause shall be inserted, namely:—

"(ga) the specifications with regard to grading work referred to in section 11B;"

(b) after clause (j), the following clause shall be inserted, namely:—

"(ja) the amounts for the purposes of the proviso to section 18A,"

Amend-  
ment of  
section  
32.

13. In section 33 of the principal Act,—

(a) in sub-section (2), after clause (h), the following clause shall be inserted, namely:—

"(i) the time within which full price for virginia tobacco shall be paid under clause (b), and the unfair practices for the purpose of clause (c), of section 13B;"

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation."

Amend-  
ment of  
section  
33.

### STATEMENT OF OBJECTS AND REASONS

The administration of the Tobacco Board Act, 1975 under the aegis of the Tobacco Board, the efficacy of the various provisions of the Act and their short-comings have been examined with a view to enabling the Board to play a more effective role in production, development, marketing and export of tobacco. For that purpose, it is proposed, *inter alia*—

(i) to increase representation of the growers on the Board for more effective participation;

(ii) to empower the Board to regulate production, *inter alia*, on the basis of the differences in soil characteristics and agro-climatic factors in different regions of the country where virginia tobacco is grown and the effect thereof on the quality and quantity of virginia tobacco produced in those regions;

(iii) to require the processors of virginia tobacco and the manufacturers of products made therefrom to register themselves with the Board;

(iv) to provide for licensing of graders to take up commercial grading and for licensing of construction and operation of barns;

(v) to prohibit certain unfair practices in the tobacco trade;

(vi) to provide for prosecution for contravention of not only the provisions of the Act or rules made thereunder but also regulations made under the Act and to provide for enhanced penalties for contravention thereof.

2. Opportunity is being availed of to include in accordance with the recommendations of the Committee on Subordinate Legislation (Sixth Lok Sabha, 9th Report), in the Act an express provision relating to the power of the Tobacco Board to write off losses or waive recoveries. Opportunity is also being availed of to provide for laying of regulations before Parliament.

3. The Bill seeks to achieve the aforesaid objectives.

NEW DELHI;  
The 29th July, 1985.

VISHWANATH PRATAP SINGH.

## FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for increasing the number of members of the Board to be appointed by the Central Government from amongst growers of tobacco, dealers and exporters (including packers) of tobacco and tobacco products, manufacturers of tobacco products, etc., from eight to ten. This will involve slightly more expenditure on travelling allowance and daily allowance to be paid to the non-official members for attending the meetings of the Board and its committees. It is not possible at the present stage to indicate precisely the additional expenditure involved per annum. However, it is estimated that a recurring expenditure of Rs. 8,500 per annum is likely to be incurred by the Board. The Board will meet this expenditure also from the payments made to it by the Central Government after due appropriation made by Parliament by law in that behalf.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 12 of the Bill seeks to amend section 32 of the Tobacco Board Act, 1975 so as to empower the Central Government to make rules for laying down specifications with respect to grading work referred to in new section 11B and the factors to which the Tobacco Board shall have regard to and the procedure to be followed in writing off losses and waiving recoveries under new section 18A.

2. Clause 13 of the Bill seeks to amend section 33 of the Act to prohibit certain trade practices which are unfair to the interests of the growers of virginia tobacco. The amendment covers expressly certain practices and empowers the Central Government to cover by rules other similar practices which it is not practicable to visualise at this stage.

3. As the matters with respect to which rules and regulations under the aforesaid provisions are sought to be made are matters procedure or detail or matters in respect of which it is not practicable to make express provision in the legislation itself, the delegation of legislative power is of a normal character.

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SUBHASH C. KASHYAP,  
*Secretary-General.*